

**Delaware Sustainable Energy Utility**  
Meeting of the Oversight Board  
820 Silver Lake Blvd., Suite 210, Dover, DE  
May 21, 2015 – 9:00 A.M.

**Welcome**

Board Co-Chair Dr. Charles Wagner called the meeting to order at 9:30 AM. Present were Kristopher Knight, Joseph Schorah (teleconference), Pamela Bakerian (teleconference), Dave Bonar, Secretary David Small, Ismat Shah (teleconference), Sean Finnigan (teleconference), Nnamdi Chukwuocha (teleconference), and Robert Underwood. Also present were Tony DePrima, SEU Executive Director, Frank Murphy, SEU General Counsel, General Counsel, and Lisa Gardner, Office Manager.

Due to Dr. Wagner participating via conference call, he requested Mr. Bonar chair the meeting.

Members Absent: Senator Harris B. McDowell, III and Trey Paradee

**1. Approval of Minutes - Oversight Board – March 19, 2015, Energy Programs – April 6, 2015, and Finance & Audit and Loan Committee – April 23, 2015.**

**Mr. Knight moved to approve the above minutes, seconded by Secretary Small and unanimously carried.**

**2. Proposed Programs**

**a. Assisted Home Performance –** During the April 16, 2015 Energy Program Committee meeting, members reviewed a proposal to add an “Assisted Home Performance with Energy Star” Program to the existing portfolio. This was originally a recommendation from the Ad Hoc committee while investigating the need for programs to service low and moderate income Delaware residents. This proposed program would work in tandem with the SEU’s current Home Performance with Energy Star Program and would serve people in the 200% to 300% of poverty level income range. This is just above the income requirements for Delaware’s Weatherization Assistance Program (WAP). The added cost of the program would be approximately \$440,451 the first year, of which \$314,800 is for audits and rebates. The Energy Program Committee recommended that the Board approve this program to start next fiscal year.

Responding to Mr. Finnigan, Mr. DePrima indicated that part of the marketing effort would encompass partnering and networking with state service centers such as Catholic Charities. Catholic Charities currently administers the Delaware’s WAP and would be responsible for income qualification screening; once determined that the client does not qualify for WAP, they would be directed to participate in the Assisted Home Performance Program. Mr. DePrima stated that the goal is to get this program up and running in the fall of 2015.

**Mr. Schorah motioned to amend the cost of the Home Performance Program to \$440,451 for the implementation of the Assist Home Performance; the motion was seconded by Mr. Knight and unanimously carried.**

**b. Solar Resiliency Pilot Program** – Mr. DePrima indicated that the Energy Program Committee also reviewed and recommended to move forward with the Solar Resiliency Pilot Program. Ms. Pam Frank, from Gabel & Associates who has been working on this program was available for questions. This program will introduce Delaware to solar energy with battery backup. The desire is to open the pilot program to emergency management facilities and school districts that often serve as emergency shelters or for first responders to have power. Mr. DePrima mentioned he entered into an agreement with Gabel & Associates to design a program, seek interested parties/projects and combine them into an RFP to a solar developer who would develop the project. A total of 15 proposals were received, of those, 4 partners were chosen; Christina High School, Eatna Hose Hook and Ladder Company out of Newark, Sussex Central High School in Georgetown, and the Delaware Christian Academy of New Castle. The SEU will offer to purchase the SREC's generated from these facilities with intent to sell them at a later time. Additionally, the SEU would offer low interest loan money to the developers.

Mr. DePrima informed the board that there are certain federal tax credits that are to expire at the end of 2016 that the developers will want to take advantage of; therefore timing is of the essence.

**After much discussion, Dr. Wagner motioned to move forward with the RFP, seconded by Secretary Small and unanimously carried.**

**c. Green House Gas Reduction (GHGR) Program for Industries** – Mr. DePrima stated that discussions have been taking place with DNREC regarding the need for a program that would assist large industries in greenhouse gas emission reduction; developing such a program would also assist the SEU's in meeting their goals and mission. Secretary Small believes the use of portions of the Energy Efficient Investment Fund and the Carbon Mitigation Fund in combined efforts with the SEU could greatly assist the large industry area.

**Mr. Knight motioned to have the Mr. DePrima and Secretary Small to continue discussions for program development, the motion was seconded by Mr. Schorah and unanimously carried.**

### **3. SEU Business**

**a. 2015 – 2016 Proposed Budget** – Mr. DePrima presented and reviewed the 2015 -2016 proposed budget to the board. Mr. Knight had concerns regarding how the reserves and unallocated revenue were reflected within the budget. After a considerable amount of discussion, Mr. Murphy suggested that the Executive Director propose an alternate formatted budget to the Finance and Audit Committee for consideration and adoption.

**The motion to refer this item to the Finance and Audit Committee was made by Mr. Knight and seconded by Secretary Small and unanimously carried.**

**b. Christina School District – Update and Reservation of Funds** – At the January 2015 Board meeting Christina School District requested \$3M be reserved for its planned energy efficiency projects at Glasgow High School and Gauger-Cobbs Middle School. At the time it was an estimated project cost. The Investment Grade Audit has been completed and the District has selected \$5.3M in conservation measures. Christina School District is requesting the board increase the reserve for this project to \$5.3M.

**Dr. Wagner moved to increase the reserve amount to \$5.3M, seconded by Secretary Small and unanimously carried.**

**c. Consideration of Statements – A motion was made by Mr. Knight to approve the following statements, seconded by Secretary Small and unanimously carried.**

- i. Murphy & Landon – January 2015 (\$4,112) and February 2015 (\$3,355)
- ii. NW Financial Group, LLC – February 2015 (\$2,178), March 2015 (\$708)
- iii. Young Conaway Stargatt & Taylor, LLP – September 2014 – March 2015 (\$3,223)

**4. Reports - Executive Director's Reports – Mr. DePrima reviewed the following reports:**

- a. Budget Report – Ending April 30, 2015**
- b. Activity Report – March/April 2015**

Mr. DePrima highlighted the hiring of Suzanne Sebastian as the new Program Manager, the completion of the 2014 Annual Report and the signing of leased office space located at the Duncan Center. Mr. DePrima and Secretary Small updated members on continued discussions with the Governor regarding the future of a bond issue.

**5. New Business/Old Business – Mr. Schorah requested an update on the Chase Center, referred to in the budget as the DCIC Project. Mr. DePrima stated that the SEU is currently searching for partner banks to help finance the project.**

**6. Public Comment**

**A motion to adjourn was passed unanimously at 10:15 AM.**